



15

Recreation Services

To: Parks, Recreation and Cultural Resources Commission (PRCRC)

Through: Charlie Lawson, Acting City Manager

By: Bonnie L. Greiner, Recreation Services Manager

From: Kerrilyn Ely, Recreation Services Supervisor

Subject: Recommend approval of adding new payment options for Milpitas Sports Center members

Date: March 7, 2005

Periodically staff reviews the Sports Center's fee structure to ensure that our facility and program fees provide our customers the most efficient, convenient and fair payment options. Staff reviewed customer evaluations, surveyed comparable facility fees from surrounding facilities and cities and analyzed findings as they related to our existing fees and payment structures. Below find areas that staff is recommending fee structure changes:

Milpitas Sports Center Membership fees- add monthly and annual package options:

Currently, the Sports Center offers members the fitness pass options that involve purchasing non-refundable "visits" in increments. This structure has received various complaints due to customer inconvenience due to need to continuously buy and add additional visits. In addition, members who workout frequently at the current \$3.00 per visit fee complain that the Sports Center is very costly for it's limited amenities. As an example, a member who works out daily would spend approximately \$72.00 per month.

Current Sports Center Membership Passes — non-residents pay an annual \$25.00 fee on July 1st.

Existing MSC Fitness Pass	Adults	Seniors Resident only
Five (5) Visits	\$15.00	\$ 7.50
Ten (10) visits	\$30.00	\$15.00
Fifteen (15) visits	\$45.00	\$22.50
Twenty (20) visits	\$60.00	\$30.00

Recreation Services staff surveyed similar public and private fitness providers to compare our existing structure and identify other viable payment options that could be offered to our members. The results of this research clearly indicated that the majority of comparable facilities offer membership packages in monthly and annual increments.

Staff recommends adding the following monthly membership package options for members of the Milpitas Sports Center. Adding membership options listed below will provide our member's additional payment flexibility and convenience that is not currently available. The model of packages offered below is based on a "use it or lose it" plan, which the majority of surveyed fitness clubs utilize.

Recommended additional membership packages options for Milpitas Sports Center:

New MSC Package	Adults	Seniors Resident only (50 yrs +)
Monthly Unlimited Use	\$50.00	\$25.00
Three Month Unlimited Use	\$150.00 (\$50/mo)	\$75.00
Six Month Unlimited Pass	\$ 250.00 (\$48/mo)	\$125.00
Annual Pass	\$ 450.00 (\$39/mo.)	\$225.00

The monthly payment option is a common fee structure used within the fitness club industry. These new package options provide customer convenience, encourage use of facilities, reduce staff time and provide financial incentive for purchase of long-term packages. The existing "visit" pass options will continue to be available to those members who may not wish to pay on a monthly or annual basis.

Recommendation:

Staff is recommending approval of the following proposed fee structure adjustments as follows:

1. Approve inclusion of recommended additional fitness packages for Milpitas Sports Center effective May 1, 2005.